Boards of Directors of RBI

146. SHRI MENTAY PADMANABHAM: SHRI KAMAL MORARKA: DR. JINENDRA KUMAR JAIN:

Will the Minister of FINANCE be pleased to state:

(a) what is the procedure and norms for the constitution of board of directors for the Reseve Bank of India under RBI Act, 1934;

(b) whether it is a fact that the present board of directors though inducted for a four year term in 1983 is being continued till now;

(c) if so, what are the reasons for ignoring the provisions of the RBI Act;

(d) whether there is any proposal under Government's consideration to reconstitute the Board of Directors of the Reserve Bank; and

(c) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SH. DALBIR SINGH): (a) to (c) In terms of the provisions contained in section 8 of the Reserve Bank of India Act, 1934, the Central Board of Directors of the Reserve Bank of India shall consist of, among others, ten non-official directors to be nominated by the Central Government. These directors shall hold office for a period of four years and thereafter until their successors are nominated. At present, eight non official directors, appointed during 1983—86, are in position. Though their four year tenures have expired, they are continuing in position pending appointment of their successors as per the provisions of the Reserve Bank of India Act, 1934. Government have already initiated necessary steps for reconstitution of the Central Board of Directors of the Reserve Bank of India.

Proposal to amend Income Tax Act, 1961

147. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to amend the Income-Tax Act, 1961 so as to bring it at par with the prevailing international tax system;

(b) whether there is also any proposal to bring about the unified Direct/Indirect tax codes in the light of this recommendation made by the Chelliah Committee; and

(c) if so, what is the present stage of progress in the matter and by when the proposed legislation is likely to be brought before Parliament?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The developments in the international tax system are kept in view while formulating tax policies. This is an on-going process.

(b) and (c) The steps have been taken to formulate unified Direct and Indirect Tax Codes prior to the receipt of recommendations of the Chelliah Committee. The draft of Direct Tax Code is under examination of the Government. It would not be possible to give a time frame when the proposed legislation is likely to be introduced. The draft on the Indirect Tax Code is yet to be received.

Losses incurred by Vijaya Bank

148. SHRI MATANG SING: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Vijaya Bank has been running into losses during the current financial year.

(b) whether it is also a fact that the former Chairman has allowed advances to various private Companies without bothering about the financial conditions of the bank; and